

**REAL ESTATE EXCHANGE AGREEMENT**  
**Project Name: Flagstaff Graduate by Hilton**

THIS REAL ESTATE EXCHANGE AGREEMENT ("Agreement") is made as effective the \_\_\_ day of \_\_\_\_\_, 2026, by and between the **CITY OF FLAGSTAFF**, a municipal corporation organized and existing under the laws of the State of Arizona ("City"), **CAPRI FLAGSTAFF, LLC**, an Arizona limited liability company (hereinafter called "Capri"), whose mailing address is: 6867 N Oracle Ste 101, Tucson, AZ 85704; and **LEROUX RETAIL, L.L.C.**, an Arizona limited liability company (hereinafter called "Leroux"), whose mailing address is: 602 W Route 66, Flagstaff, AZ 86001.

**RECITALS**

A. Capri is currently seeking approval from the City for the construction of a hotel and parking garage (the "Project"). Capri owns a portion of the property (the "Capri Parcel") and has a long term lease with Leroux for the other portion of property (the "Leroux Parcel") where the parking garage is to be constructed.

B. In conjunction with the Project, the City intends to abandon its interest in a right of way consisting of approximately 2,400 square feet or 0.0551 acres located along the parcel owned by Leroux. The proposed property to be abandoned is described in Exhibit A attached hereto and incorporated herein (the "City Parcel").

C. As a condition of the approval of the Project, the City requires the inclusion of a public alley, which requires the dedication by Leroux to the City of fee simple title to the parcel of property consisting of approximately 3,001 square feet or 0.0689 acres as described in Exhibit B attached hereto and incorporated herein (the "Dedication Parcel").

D. Capri has requested that Leroux dedicate the Dedication Parcel to the City in support of its Project and has agreed to convey a portion of its property to Leroux as additional consideration for Leroux to support its Project.

E. Upon the final approval of the Ordinance approving abandonment of the City Parcel, the City and Leroux desire to exchange the City Parcel and the Dedication Parcel.

F. Based upon the benefit to the Project, Capri consents to Leroux dedicating the Dedication Parcel to the City and to Leroux receiving the City Parcel and agrees to terminate any leasehold rights in the Dedication Parcel upon the Closing Date.

NOW THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## AGREEMENT

### 1. Exchange of Parcels.

1.1. Subject to the passing and adoption by the City of an Ordinance approving the abandonment of the City Parcel and approving this Agreement and contingent upon delivery of the title to the City Parcel to Leroux, Leroux agrees to dedicate the Dedication Parcel to the City and Capri agrees that any rights to that parcel under the lease from Leroux are terminated upon such transfer. The Leroux Parcel shall be conveyed by deed to the City in the form attached hereto as Exhibit C.

1.2. Subject to the passing and adoption by the City of an Ordinance approving the abandonment of the City Parcel and approving this Agreement and contingent upon delivery of the title to the Dedication Parcel to the City, City agrees to convey fee simple title to the City Parcel to Leroux. The City Parcel shall be conveyed by deed to Leroux in the form attached hereto as Exhibit D.

2. Opening of Escrow. The parties shall open an escrow to complete this transaction within ten (10) business days after final approval of the Ordinance approving the abandonment and entry by the City into this Agreement. Opening of Escrow shall be deemed to be the date on which a fully executed copy of this Agreement is delivered to the Escrow Agent.

3. Title Review. Within fifteen (15) days of receipt of the Title Commitment, each party shall notify the other of any matters or exceptions shown on the Title Commitment, or on any documents identified in the Title Commitment as title exceptions, that are not acceptable to the respective party (the "Objections"). The Objections shall be specific and identify with particularity the title matter or exception to which the objecting party objects and the basis for such objection. Any matters or title exceptions to which either party does not object within such period shall be deemed to be acceptable matters and expressly waived, and each such party shall take title subject to all such matters and shall have no further right to object thereto or to terminate this Agreement on the basis of such matters. If Objections are timely made, the respective party receiving the Objection shall have 15 days to cure such objection (but being under no obligation to do so). If the Objection is not timely resolved, the objecting party may terminate this Agreement by providing written notice within five (5) days thereafter to the other parties and Escrow Agent of the termination, or may waive the Objection and proceed with the closing, at its election.

4. Closing of Escrow. The consummation of the transaction contemplated by this Agreement ("Close of Escrow") shall occur on or before thirty (30) days after the Opening of Escrow. If Escrow Company or Recorder's office is closed on the scheduled closing date, Close of Escrow shall occur on the next day that both are open for business. City and Leroux may accelerate the Closing Date upon mutual acceptance by both parties. The Closing shall occur at the offices of the Escrow Agent, or at such other place as Leroux and City may agree in writing. Closing shall be deemed to have occurred when (i) all closing documents contemplated by this Agreement have been delivered to, received by, and executed by the appropriate parties, (ii) all conditions to such Closing contemplated by this Agreement have been satisfied or waived, and (iii) the conveyance instruments required herein have been recorded. The Closing Date will be extended for any time required for a lender's partial release.

5. **Encumbrances.** Each party shall be responsible for satisfying all encumbrances on their respective parcels prior to or at Close of Escrow, including, without limitation: property taxes, mortgage or construction liens, leasehold interests, special assessments, fines, fees, or charges to be paid to any owners' association, if any, and other encumbrances. Leroux acknowledges that the City Parcel portion being conveyed is currently exempt from taxation as publicly-owned property, and that upon conveyance to Leroux, such portion will become subject to taxation, with Leroux responsible for all taxes assessed on such portion after the closing date. Title Company shall not be responsible for any liens or encumbrances not of record at the closing of escrow. Each party is responsible for careful review of the closing statement prior to closing.
6. **Closing Costs.** The City shall pay all lawful costs incidental to closing; escrow fees, title policy fees, recording fees, release fees, commercially reasonable partial release fees, appraisal fee, and any other fees necessary to close escrow.
7. **No Warranties.** The parties agree and acknowledge that no representations, statements, or warranties have at any time been made by any party, or any agent or representative of such party, as to the condition, quality, quantity, operation, state of repair, or prospects of either the City Parcel or the Dedication Parcel, or any other matter concerning those parcels, in any respect.
8. **Brokerage.** The City and Leroux warrant to one another that they have not dealt with any broker in connection with the transaction contemplated by this Agreement. If any person shall assert a claim to a finder's fee, brokerage commission, or other compensation on account of employment or alleged employment as a finder or broker or performance of services as a finder or broker in connection with this transaction, the party under whom the finder or broker is claiming shall indemnify, defend, and hold the other party harmless from and against any such claim and all costs, expenses, and liabilities incurred in connection with such claim or any action or proceeding brought on such claim, including, but not limited to, counsel and witness fees and court costs in defending against such claim. This indemnity shall survive the close of escrow or the cancellation of the Agreement.
9. **Time of the Essence.** The parties expressly agree that time is of the essence with respect to this Agreement.
10. **Notices.** Any notice, which a party is required or may desire to give the other, shall be in writing and shall be sent either (a) by United States registered or certified mail, return receipt requested, postage prepaid, (b) by a generally recognized overnight carrier providing proof of delivery, or (c) via e-mail transmittal. Any such notice shall be addressed to a party at such party's address appearing next to such party's signature on the last page of the main body of this Contract. Any notice so given shall be deemed to have been given as of the date of actual receipt. Notices shall be addressed to the parties as follows:

**LEROUX:**

Leroux Retail, LLC  
Attn: Bhavna Prema  
602 W Route 66  
Flagstaff, AZ 86001

With a copy to:

Rose Law Group, pc  
Attn: Tony Freeman  
7144 E Stetson Drive, Suite 300  
Scottsdale, AZ 85251  
E-Mail: TFreeman@roselawgroup.com

**CITY:**

City of Flagstaff  
Attn: City Manager  
211 W. Aspen Avenue  
Flagstaff, AZ 86001

With a copy to:

Matt Mansfield  
211 W. Aspen Avenue  
Flagstaff, AZ 86001

**CAPRI:**

Capri Flagstaff, LLC  
Attn: Jim O'Connell  
6867 N Oracle Rd, Suite 101  
Tucson, AZ 85704

11. **Entire Agreement: Modification.** This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and all prior or contemporaneous agreements and understandings, oral or written, are hereby superseded and merged herein. The provisions hereof may be abrogated, modified, rescinded or amended in whole or in part only by written instrument executed by the parties hereto.

12. **No Joint Venture.** Nothing in this Agreement shall be deemed or construed to create a relationship of principal and agent between the parties hereto or to evidence or to provide for any partnership, joint venture or other association between such parties.

13. **Indemnification.** Each party shall indemnify, defend, and hold harmless the other party and its affiliates, officers, directors, employees, agents, successors, and assigns from and against any and all claims, liabilities, damages, losses, costs, and expenses (including reasonable attorneys' fees) arising out of or relating to a party's breach of any representation, warranty, covenant, or obligation under this Agreement.

14. **Severability.** If any provision or provisions hereof or the application thereof to any party or to any person or circumstance shall be held to be invalid, void or illegal, the remaining provisions hereof and the application of such provisions other than those as to which it is held to be invalid, void or illegal, shall nevertheless remain in full force and effect and not be affected thereby.

15. **Notification.** The parties acknowledge and agree that the exchange contemplated herein is a voluntary transaction entered into through mutual agreement and negotiation. This transaction does not involve the exercise by City of eminent domain or the City's condemnation authority, and Leroux is not dedicating the Dedication Parcel under threat or compulsion of condemnation. Each party has entered into this Agreement freely and voluntarily for their respective mutual benefit,

16. **Descriptive Headings.** The descriptive headings of the sections hereof are inserted for convenience only and shall not control or affect the meanings or construction of any provisions hereof.

17. **Governing Law.** This Agreement is entered into in the State of Arizona and shall be governed by and construed under the laws thereof. Any dispute arising out of this Agreement shall be brought exclusively in the Superior Court of Coconino County and the prevailing party shall be entitled to recover its attorneys' fees and costs in obtaining such relief.

18. **Successors in Interest.** This Agreement shall bind and inure to the benefit of Leroux, Capri, the City, and their heirs, executors, administrators, successors, and permitted assigns.

19. **Counterparts:Electronic Signatures.** This Agreement may be executed by the parties hereto in two or more counterparts, all of which shall constitute one and the same instrument. Electronic or facsimile signatures will be treated as original.

IN WITNESS WHEREOF, this Agreement has been entered into as of the day and year first above written.

SIGNATURE LINES APPEAR ON FOLLOWING PAGE:

**Capri Flagstaff, LLC,**  
an Arizona limited liability company

By: \_\_\_\_\_  
Name: Jim O'Connell  
Title: Managing Member

**Leroux Retail, L.L.C.,**  
an Arizona limited liability company

By: \_\_\_\_\_  
Name: Bhavna Prema  
Title: Manager and Member

And

By: \_\_\_\_\_  
Name: Sapneshkumar D Amin  
Title: Manager and Member

**City of Flagstaff,** an Arizona municipal corporation

By: \_\_\_\_\_  
City Manager  
Date:

Attest:

\_\_\_\_\_  
City Clerk

Approved as to form:

\_\_\_\_\_  
City Attorney

Attachment:

Exhibit 1 – Legal Description City Parcel

Exhibit 2 – Legal Description Dedication Parcel

Exhibit 3 – Special Warranty Deed City to Leroux

Exhibit 4 – Special Warranty Deed Leroux to City

**EXHIBIT A**  
**LEGAL DESCRIPTION**  
**CITY PARCEL**

A portion of that certain Alley in Block 19, Townsite of Flagstaff, recorded in Book 1 of Maps, page 16, Coconino County Records, lying within the southeast quarter of Section 16, Township 21 North, Range 7 East, of the Gila and Salt River Meridian, Coconino County, Arizona, more particularly described as follows:

**COMMENCING** at the intersection of Birch Avenue and Leroux Street, a 2-inch City of Flagstaff brass cap in handhole stamped RLS 25083, from which the intersection of Birch Avenue and Beaver Street, a 2-inch City of Flagstaff brass cap in handhole stamped RLS 18297, bears North  $69^{\circ}16'35''$  West (basis of bearing), a distance of 349.92 feet;

**THENCE** along the centerline of said Birch Avenue, North  $69^{\circ}16'35''$  West, a distance of 167.01 feet;

**THENCE** leaving said centerline, South  $20^{\circ}43'25''$  West, a distance of 30.00 feet, to the northeast corner of said certain Alley and the **POINT OF BEGINNING**;

**THENCE** along the easterly line of said certain Alley, South  $20^{\circ}43'25''$  West, a distance of 150.03 feet;

**THENCE** leaving said easterly line, North  $69^{\circ}10'50''$  West, a distance of 16.00 feet, to the westerly line of said certain Alley;

**THENCE** along said westerly line, North  $20^{\circ}43'25''$  East, a distance of 150.00 feet, to the northwest corner of said certain Alley;

**THENCE** leaving said westerly line, along the northerly line of said certain Alley, South  $69^{\circ}16'35''$  East, a distance of 16.00 feet, to the **POINT OF BEGINNING**.

Containing 2,400 square feet or 0.0551 acres, more or less.

Subject to existing right-of-ways and easements.

**EXHIBIT B**  
**LEGAL DESCRIPTION**  
**DEDICATION PARCEL**

A portion of Lot 25, Block 19, Townsite of Flagstaff, recorded in Book 1 of Maps, page 16, Coconino County Records, lying within the southwest quarter of Section 15 and the southeast quarter of Section 16, Township 21 North, Range 7 East, of the Gila and Salt River Meridian, Coconino County, Arizona, more particularly described as follow:

**COMMENCING** at the intersection of Birch Avenue and Leroux Street, a 2-inch City of Flagstaff brass cap in handhole stamped RLS 25083, from which the intersection of Aspen Avenue and Leroux Street, a 2-inch City of Flagstaff brass cap in handhole stamped RLS 25083, bears South 20°49'19" West (basis of bearing), a distance of 360.00 feet;

**THENCE** along the centerline of said Leroux Street, South 20°49'19" West, a distance of 180.03 feet;

**THENCE** leaving said centerline, North 69°10'41" West, a distance of 29.00 feet, to the northeast corner of said Lot 25 and the **POINT OF BEGINNING**;

**THENCE** along the easterly line of said Lot 25, South 20°49'19" West, a distance of 25.00 feet, to the southeast corner of said Lot 25;

**THENCE** leaving said easterly line, along the southerly line of said Lot 25, North 69°18'24" West, a distance of 88.29 feet;

**THENCE** leaving said southerly line, North 20°41'36" East, a distance of 8.91 feet;

**THENCE** North 69°10'38" West, a distance of 49.36 feet, to the westerly line of said Lot 25;

**THENCE** along said westerly line, North 20°43'25" East, a distance of 16.00 feet, to the northwest corner of said Lot 25;

**THENCE** leaving said westerly line, along the northerly line of said Lot 25, South 69°17'45" East, a distance of 137.70 feet, to the **POINT OF BEGINNING**.

Containing 3,001 square feet or 0.0689 acres, more or less.

Subject to existing right-of-ways and easements.

**EXHIBIT C**  
**SPECIAL WARRANTY DEED**  
**DEDICATION PARCEL**

**WHEN RECORDED RETURN TO:**

Rose Law Group, pc  
7144 E. Stetson Drive, Suite 300  
Scottsdale, Arizona 85251  
Attention: Shelton Freeman

**Exempt from Affidavit of Property Value  
pursuant to A.R.S. § \_\_\_\_\_**

**SPECIAL WARRANTY DEED**

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **LEROUX RETAIL, L.L.C.**, an Arizona limited liability company (“Grantor”), hereby grants, sells and conveys to **CITY OF FLAGSTAFF**, a municipal corporation organized and existing under the laws of the State of Arizona (“Grantee”), the real property located in Maricopa County, Arizona and described on Exhibit “A” attached hereto and incorporated herein by this reference (the “Land”), together with all improvements thereon and any other rights, privileges, appurtenances, hereditaments, easements, reversions, and remainders pertaining thereto or used in connection therewith.

Grantor binds itself and its successors, heirs, legatees and personal representatives to warrant and defend title to the Land and improvements as against the acts of Grantor and none other.

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STATE OF \_\_\_\_\_ )  
 ) ss.  
County of \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_ 2026, by Sapneshkumar D Amin, the Manager of Leroux Retail, LLC, an Arizona limited liability company, for and on behalf thereof.

\_\_\_\_\_  
Notary Public

My Seal and Commission Expiration Date:

**Exhibit “A” to Special Warranty Deed**

**Legal Description**

A portion of Lot 25, Block 19, Townsite of Flagstaff, recorded in Book 1 of Maps, page 16, Coconino County Records, lying within the southwest quarter of Section 15 and the southeast quarter of Section 16, Township 21 North, Range 7 East, of the Gila and Salt River Meridian, Coconino County, Arizona, more particularly described as follow:

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**EXHIBIT D**  
**SPECIAL WARRANTY DEED**  
**CITY PARCEL**

**WHEN RECORDED RETURN TO:**

Rose Law Group, pc  
7144 E. Stetson Drive, Suite 300  
Scottsdale, Arizona 85251  
Attention: Shelton Freeman

**Exempt from Affidavit of Property Value  
pursuant to A.R.S. § \_\_\_\_\_**

**SPECIAL WARRANTY DEED**

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **CITY OF FLAGSTAFF**, a municipal corporation organized and existing under the laws of the State of Arizona (“Grantor”), hereby grants, sells and conveys to **LEROUX RETAIL, L.L.C.**, an Arizona limited liability company (“Grantee”), the real property located in Maricopa County, Arizona and described on Exhibit “A” attached hereto and incorporated herein by this reference (the “Land”), together with all improvements thereon and any other rights, privileges, appurtenances, hereditaments, easements, reversions, and remainders pertaining thereto or used in connection therewith.

Grantor binds itself and its successors, heirs, legatees and personal representatives to warrant and defend title to the Land and improvements as against the acts of Grantor and none other.

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DATED as of the \_\_\_\_\_ day of \_\_\_\_\_ 2026.

**City of Flagstaff, an Arizona municipal corporation**

**By:**

\_\_\_\_\_

**City Manager**

STATE OF ARIZONA)

) ss.

County of Coconino)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 2026, by \_\_\_\_\_, the \_\_\_\_\_ of the City of Flagstaff, an Arizona municipal corporation, for and on behalf thereof.

\_\_\_\_\_  
Notary Public

My Seal and Commission Expiration Date:

## Exhibit "A" to Special Warranty Deed

### Legal Description

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